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TODAY

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Comments and suggestions are welcome by e-mail to ruth.nyblod@uspto.gov.

The Magazine of the United States Patent and Trademark Office



In Touch

With the Under Secretary for IP

Q. Todd Dickinson
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office

This month's edition of *USPTO Today* is devoted entirely to patents. And I think it is a fitting start to the fiscal year we've just begun to impress upon you the important role patents have in spurring innovation, investment, and general economic growth.

And while this has always been true, it is becoming evident that our information-driven economy is becoming increasingly reliant upon the incentives we know as patents. Technology, the Internet, and computer software are all helping us move forward into a knowledge-based society dependent upon strong intellectual property protection. And that's where the USPTO comes in.

There are many challenges in this new economy, but our Office has demonstrated time and again that we are up to the task. Indeed, it is no accident that the USPTO, as the agency responsible for the United States' intellectual property system, easily manages these technologies. Our founding fathers understood how important adaptability would be for our Nation in the future. And after 20 years working in intellectual property, I am still amazed by this flexibility, and by the many exciting inventions that are created, patented successfully, and then, in turn, contribute so much to our marketplace and to our society.

Of course, with filings at a record high, we have our work cut out for us. And that is why it has been critical for us to respond to our Nation's innovation with innovation of our own. We've implemented electronic filing of patents and trademarks, introduced a new Strategic Plan and Patent Business Goals in line with the requirements of our new PBO status, passed the patent reform bill, the American Inventors Protection Act, and worked on global harmonization via the Patent Law Treaty and Patent Cooperation Treaty.

USPTO Commissioner of Patents, Nick Godici, who has done an exemplary job leading our Patents Organization, will be going into greater detail on these and other important changes in this issue of USPTO Today, as will several other people in the Organization.

But as you review the figures that underscore the fact that we are the leading providers of intellectual property rights in the world, remember that statistics and studies are more than just numbers and analyses. They are evidence that at the USPTO, we continue to protect the spirit of innovation, the pioneering urge that has made the United States a global force and a nation rich with possibility and promise.

**Join Under Secretary Dickinson Online
Tuesday, December 5, 2000
from 1 to 2 p.m.**

Log on to www.uspto.gov

The Patent and Trademark Office Museum will be closed November 27 through November 29, 2000, for construction of a new exhibit...

**Tested by Time:
Ten Inventions That Get the Job Done**

The process of invention and its subsequent results often yield interesting, but not always enduring, outcomes. Remember the hoola-hoop? Lots of inventions are long-lived, especially with improvements over time, but many often endure just by virtue of our continuing need, coupled with effective marketing and advertising. The 10 inventions covered in this exhibit are classics. They are not necessarily exciting or life-changing, but the one thing they have in common is that they are useful to have around when you really need to get the job done.

The exhibit covers the Rose, Mickey Mouse, the adhesive bandage, the sewing machine, the harmonica, lipstick, eyeglasses, shopping cart, baseball bat, and aspirin. All of these inventions or creations emerged in the last 125 years and have retained their appeal, as well as their usefulness in close to their original forms, across generations.

Please join us for an Open House, November 30, from 10 a.m. to 4 p.m.

Foreword...

from the Commissioner for Patents



Most of our customers are well aware of the challenges and changes facing the USPTO. You don't have to be familiar with patents to have been exposed to the articles and media attention surrounding intellectual property. I can assure you that our employees are not only aware of them, but also have been hard at work addressing the many issues facing the agency. This special patents edition of *USPTO Today* will give you a good idea of the key issues facing the organization and the plans we have in place to manage them.

New Strategic Plan and Patent Business Goals

Even with a plan to manage each challenge, the organization needs an overall approach and direction to set a course for accomplishing our mission and goals. The Patents Organization has recently completed a new *Patent Strategic Plan*. Like a road map, this plan outlines our goals and objectives for the next five years. This strategic plan is used to set our priorities and allocate resources to meet our goals. The article on this topic explains our strategic plan, including how it was formulated and its key features.

A road map is really only useful if you know where you want to go. That's where the new Patent Business goals come in. As explained in the article, the centerpiece of the strategic plan is our new Patent Business goals. While most of these goals may not seem new, it was important to revalidate our priorities as we look ahead to the challenges facing the agency. As a performance based organization, our progress toward achievement of these goals is how the agency will be evaluated (page 5).

Key Changes

We are in the midst of enormous change. This edition has a series of articles on some of the more significant changes. One of the primary ones is our new legislation, the American Inventor's Protection Act (AIPA) (page 32). We have been publishing articles on the AIPA rules, posting information on our Web site, and hosting a series of road shows to explain the new AIPA rules. We also have articles on the Patent Business Goals rule changes (page 14), electronic filing (EFS) for patent applications (page 10), and some recent activities in the business methods area (page 12).

Partnership

We have been working hard in the past few years to reach out to our customers. We have been listening to concerns, incorporating the feedback we get, and working together to improve the services we provide (page 26). We have established customer partnership working groups in a number of major industry sectors, and have used these partnerships to host technical training sessions for our employees. More importantly, we have used the feedback and interactions with our customers to help set our business goals, measure our progress toward these goals, and identify initiatives to help us achieve these goals. Together with our dedicated and hard working employees, I greatly look forward to continuing these efforts in pursuit of providing the highest quality products and services.

One Organization's Vision – *The Patent Strategic Plan for Fiscal Years 2002-2006*

*by Anne M. Houghton, Office of the Deputy Commissioner for
Patent Resources and Planning*

In August of this year, the Office of the Commissioner for Patents presented the *Patent Strategic Plan for Fiscal Years 2002-2006*. The *Strategic Plan* outlines the Patent Business' goals for the next five years.

The Patent Business developed the plan using input gathered from USPTO's customers, stakeholders, and employees. The Patent Business went out to its external customers, meeting with independent inventor groups, law firms, and corporations. They met with their internal customers as well, holding meetings with examiners, technical support personnel, and engaging in an ongoing partnership with USPTO's two labor unions. The resulting document, *Patent Strategic Plan*, is the model for the Patent Business for the next five years.

The requirement for a strategic plan was set forth the American Inventor's Protection Act (AIPA) legislation, which Congress passed in November 1999. The commissioner for patents, Nick Godici, presented the *Patent Strategic Plan* to the Patent Advisory Committee at their first meeting in August. In addition to the advisory committee, the *Patent Strategic Plan* will be distributed to

patent examiners, and made available to Patent Business stakeholders and customers via the USPTO homepage.

The *Patent Strategic Plan* describes the perspective and environment that provide the framework for the Patent Business goals. The implementation of the AIPA along with the rapid increase in filings and case complexity meant that the Patent

Business would have to radically rethink its operating procedures and workflow management. Specifically, the complexities in the biotechnology arts arising from the human genome project, the rise of bioinformatics, and the need to expand the work environment into the Internet Age and e-government, all factored prominently in the creation of the strategic plan.

In the external environment section, the *Strategic Plan* describes some of the more significant changes of the AIPA legislation. These changes include the establishment of patents and trademarks as separate operating units within the agency, the creation of the Patent Public Advisory Committee, and the changes to the patent process. Specifically, it addresses the changes to the reexamination of patents and a new timeliness standard for the Patents Business.

The *Strategic Plan* describes the growth in demand for USPTO products and services. Annual patent growth rate is now projected at 12 percent, nearly twice the previous growth projection. USPTO can acquire the resources it needs to manage the current business environment by retaining all its fee revenue. Unlike traditional federal government agencies, USPTO receives no funding from taxpayer revenue, but is entirely funded by fees paid by the users of the U.S. patent and trademark systems. However, USPTO depends upon congressional approval for use of its own funds. The inability to determine or depend upon specific fiscal year funding severely impacts medium- and long-range planning and flexibility for the organization. The USPTO continues to work with the administra-



tion and the Congress to receive the authority to use and manage all fees paid by the agency's customers.

Internally, the USPTO is focused on improving the quality of its products. The report states the agency has placed primary importance on quality, based on customer input. The *Strategic Plan* records how the USPTO collected customer data, the positive response from customer surveys, and future targets for customer satisfaction. The foundation of the efforts to improve quality is based on an expansion of and investment in information technology. For employees, the USPTO has implemented and expanded the electronic systems EAST (Examiner Automated Search Tool) and WEST (Web-based Examiner Search Tool), to give patent employees access to an extraordinary amount of information from their desktop. The USPTO is also developing the TEAM (Tools for Electronic Application Management) system that will provide employees with an "electronic file wrapper" that will allow managed, multiple, and individual access to the contents of patent applications.

For the public, the *Strategic Plan* reports that the full text of over 2.1 million U.S. patent documents issued since 1971 and the images of all U.S. patent documents issued since 1790 are available on the Internet to the public at no cost. The USPTO is converting its paper-dependent patent application process to an online electronic process. The first steps of the Electronic Filing System (EFS) with the EFS BIO pilot and the EFS Utility pilot programs were completed in September and December 1999, respectively, allowing the first gene sequence listing and the first utility patent application to be successfully filed over the Internet. The *Strategic Plan* announced the full implementation for EFS scheduled for this fall -- and now operational -- that will allow applicants to download the software from the Patent Electronic Business Center located on the USPTO Web site. Applicants can also access information about their patent applications 24 hours a day, seven days a week, through the recently implemented Patent Application Information Retrieval (PAIR) system.

The *Strategic Plan* discusses the plans for changes in business practices through reengineering efforts. From March 1998 through March 1999, the Patent Business tested new ways of conducting business in the Patent Reengineering Lab. The reengineering experiment allowed examiners and technical support staff to redirect current duties and share various responsibilities in the processing of patent applications.

Commitments to career development, diversity, improving labor

relations, and employee quality of life figure prominently in the report. “The Patent Business,” the *Strategic Plan* continues, “is expanding its commitment to providing developmental opportunities for its employees.” Regarding diversity, the Patent Business has broadened its recruitment efforts to attract applicants from diverse backgrounds. The report states that the Patent Business is promoting awareness about USPTO employment opportunities and the importance of science and engineering at universities with high minority and female enrollments. The report also discusses the continuing interest of working with unions through a partnership framework.

The Strategic View –

The focus of the report is the announcement of the five Patent Business goals and the specific objectives and targets associated with the goals. “Our goals and objectives,” as the report suggests, “are geared toward refining the quality of our products and services, maximizing efficiencies in processing time, enhancing employee well-being, and expanding e-business capabilities.”

Goal One – Enhance the Quality of Our Products

The objectives for this goal focus on reducing allowed applications with significant defects and quality questions and increasing customer satisfaction levels for written communications and the results of the searches of prior art. The Patent Business will concentrate on improving key products identified as important to its customers through outreach sessions and surveys. The report continues that maintaining the U.S. Patent Classification system and significantly improving other search tools will enable examiners to “produce a high quality search and provide a clear, complete first Office action.”

Goal Two - Improve the Quality of Our Services

The objectives for this goal center on reducing procedural and process problems, improving complaint handling, process management of files and papers, and the quality and timeliness of filing receipts, as well as shortening the time to return phone calls. The *Strategic Plan* reports that overall customer satisfaction is high, but there is room for improvement in the areas noted in the objectives. The report notes that applicants now have access to the information held on their patents through the PAIR system. The full implementation of EFS will also help improve quality and timeliness. The Patent Business is continuing its outreach efforts and will explore alternative services to meet or exceed customers’ needs.

Goal Three – Optimize Our Processing Time

The objectives for this goal concentrate on shortening time to first office action, time to patent grant after issue fee payment, and reducing processing time for overall pendency. Additionally, they focus on reducing the time to reply to an applicant's amendment and the time to actuate a decision of the Board. This goal reemphasizes both the importance of maximizing the term of patent protection for the inventor and avoiding unnecessary extensions of patent terms. The 14-4-4-36 ruling from the AIPA legislation is the key driver for this goal. That means that the Patent Business must (a) issue a first office action within 14 months of filing; (b) respond to an applicant's reply to a rejection or to an appeal brief within four months; (c) act on an application within four months of a decision of the Board of Patent Appeals and Interferences or a decision of the federal courts; (d) issue a patent within four months of payment of issue fee; and (e) reduce overall pendency time from filing to issue to within 36 months of filing.

Goal Four – Enhance Our Employees' Well-Being

The objectives for this goal focus on improving employee retention, training, resources, and communication with employees and unions. This goal also emphasizes empowering employees while more clearly delineating expectations. The report asserts that the Patent Business considers its employees its most valuable resource and emphasizes the importance of updating and expanding their skills, knowledge, and abilities as well as providing opportunities for career development. "As employee satisfaction increases," the report suggests, "USPTO expects customer satisfaction and business performance to increase also."

Goal Five – Integrate Our Business Practices Into Electronic-Government

The objectives for this goal center on expanding electronic tools to aid and reengineer Patent's business processes, and to aid customers, and employees; expanding employee and customer input into automation design; and increasing electronic communication. The *Strategic Plan* addresses this goal at length. The Patent Business asserts that it will rigorously apply information technology to all aspects of the current paper handling process. The USPTO will continue to listen and respond to customer needs as electronic systems are implemented and make modifications where necessary. While moving into e-commerce, the USPTO will also be sensitive to changes in customer practice as a result of changes in business practices. Electronic business will also enable Patent Business employees to "more effectively share, exchange, and refine their analytical efforts," the report asserts.

The *Strategic Plan* concludes with a reflection on the USPTO's new role as a performance-based organization. As a PBO, the Patents Business must create and submit performance-oriented budgets that link plans to financial resources. Particularly, the USPTO must continue to design plans and budgets to meet the expectations and needs of its stakeholders (the administration, Congress, etc.) and customers.

Anne Houghton is on detail assignment to the Office of Patent Resources and Planning at the USPTO from the National Science Foundation.

Point. Click. Patent Pending....

File Your Next Patent Application Online

by Gregory Morse, Search and Information Resources Administration

Last month, the United States Patent and Trademark Office initiated full production of its electronic patent application filing system (EFS). Now, anyone can file an application for a new invention with the USPTO using the Internet.

The agency set up an electronic business center on its Web site in support of EFS (www.uspto.gov/ebc/index.html) to provide customers with software, free of charge, to write and file applications using the Internet. EFS software assembles all application components, calculates fees, validates application content, and compresses, encrypts, and transmits the filing to USPTO.

Until November 29, 2000, the EFS will only accept new utility patent applications. Thereafter it will accept pre-grant publication submissions for voluntary, amended, redacted, and corrected publications and republications.

To get your customer number and digital certificate go to the Patent Electronic Business Center from the USPTO Homepage.

Patent applications are confidential by statute. Thus, the agency also offers filers a customer number and digital certificate to ensure that EFS transmissions are digitally encrypted from the applicant's PC all the way to USPTO's electronic mailroom. The agency uses the latest public key infrastructure technology to guarantee the security of electronic applications. To use EFS, customers need to obtain a customer number and digital certificate now!

EFS provides benefits long sought by USPTO's customers. Applicants who are familiar with electronic commerce will realize immediate time savings and convenience of filing electronically using the Internet. EFS will support filing 24 hours a day, seven days a week. The real-time acknowledgement receipt and immediate assignment of a serial number allow applicants to track their applications from the beginning and reduce transcription errors in the bibliographic data.

EFS has a built-in validation function to help applicants adhere to USPTO rules and avoid mistakes of form that can cause delays. Users will have the means to make certain types of pre-grant publication submissions and will have greater control over the accuracy of the pre-grant publications since the data that they submit electronically will be the data that USPTO publishes.

All EFS submissions follow a similar process. Customers prepare or gather documentation, author the specification in an XML-based environment, attach and package related files and bibliographic data, view the finished package, electronically sign the package, submit it to the USPTO, and receive an electronic confirmation that the package was received. Customers must have a specified minimum computer configuration (see inset) to use the EFS.

The USPTO, along with the rest of the federal government, is increasing its use of electronic commerce in order to provide faster and more reliable service to its customers.

Electronic filing (and, in the future, electronic submissions of other types) will become more common. In the foreseeable future, the USPTO hopes

Technical Requirements for Using EFS

- √ 200 MHz or higher PC
- √ Windows 95, 98, NT (SP3), or 2000
- √ MSWord 97, 2000 or WordPerfect 9
- √ Microsoft Internet Explorer 5.0 or higher
- √ 64 Mb RAM, 128 MB recommended
- √ 45 Mb hard drive space, 100 Mb recommended
- √ Network card or 56 kb modem with Internet access
- √ Scanner

to receive many, if not most, applications electronically.

For downloading copies of the EFS software, instructions on obtaining a customer number and digital certificate, and for more information about EFS and USPTO's growing number of e-government programs and activities, visit the Patents Electronic Business Center (EBC) on the Web at <http://www.uspto.gov>.

The Patent Electronic Business Center has been selected as one of this year's "Best Feds on the Web" by GovExec.com.

Information is also available by calling the USPTO toll-free at 1-800-PTO-9199 and selecting the menu option for Patents (Note: A new option for electronic filing will be added soon). Customers may also contact our EFS Help Desk directly by calling (703) 305-3028.

Technology Center 2700 Splits to Accommodate Growth in Computer-Related Applications...

New Technology Centers 2100 and 2600 Created

By Wynn Coggins, Technology Center 2100

When the Patent Business began its realignment into technology centers at the end of 1997, there was talk then that the emerging technology center identified as 2700 would eventually be subdivided to accommodate projected growth and filings in computer applications. What is perhaps news is the rapid rate at which this happened.

The overall growth in patent applications related to computers, communications, and e-commerce has exceeded any earlier models on projected filings in these areas. At one point, Technology Center 2700 had 60 art units and over 700 examiners. The swelling in this area created process and procedural difficulties. By subdividing Technology Center 2700 into new Technology Centers 2100 and 2600, these difficulties will become manageable.

Technology Center 2100 examines applications related to computer architecture, software, and electronic commerce. There are currently 29 art units in TC 2100. The two largest growth areas in TC

2100 are databases and business methods (class 705). In fiscal year 1999, 2,658 applications were filed in the business methods area.

Technology Center 2600 examines all applications related to communications. There are currently 34 art units in TC 2600. The technology center experienced an overall average growth rate of 15 percent in fiscal year 2000. Specific examination areas related to general communications (including digital and optical communications), multiplex and Internet communication, speech processing and wired telephone communication, and radio telecommunications have all experienced an over 20 percent growth rate in application filings for fiscal year 2000.

Managers in both technology centers expect application filings to continue to grow in these areas in the near future. However, it is envisioned that accommodating this growth will be much easier to do with TC 2700 now divided into two new technology centers. Process and procedural issues will be concentrated to fewer organizational units which will result in a simplified management structure. Additionally, space and logistical issues will be easier to manage. Customers will be able to gain access to employees with greater ease, training programs can be better customized, and hiring efforts better targeted. Lastly, additional positions such as special program examiners, quality assurance specialists, and a business practice specialist have been provided to maintain the quality of the examination process in both technology centers.

Art units 2121-2123 examine all miscellaneous computer applications; art units 2171-2173, 2176 and 2177 examine all applications related to graphical user interfaces and data bases; art units 2151-2154 examine applications related to computer networks; art units 2181-2187 examine applications related to computer architecture; art units 2130-2133 examine applications related to cryptography and security; and art units 2160-2166 examine applications related to electronic commerce (business methods).

Art units 2611-2615 examine applications related to televisions; art units 2621-2624 examine applications related to image analysis and facsimile transmissions; art units 2631-2635 examine applications related to digital, optical and general communications; art units 2641-2645 examine applications related to audio, speech processing and wired telephone; art units 2651-2652 examine applications related to information storage and retrieval; art units 2661-2664 examine applications related to multiplex communications; art units 2671-2675 examine applications related to computer graphics and display systems; and art units 2681-2684 examine applications in radio communication.

Simplifying Patent Practice for the Independent Inventor and Small Business Owner

Final Rules Published

by Hiram Bernstein, Senior Legal Advisor, and Elizabeth Dougherty, Legal Advisor, Office of Patent Legal Administration

As previously highlighted in the October 2000 issue of the USPTO TODAY, the United States Patent and Trademark Office has announced changes to its rules of practice as part of the agency's continuing efforts to streamline and simplify the process of applying for and obtaining patent protection for new inventions. These rule changes are codified in the rule package "Changes to Implement the Patent Business Goals - Final Rule," published in the Federal Register on September 8, 2000, 65 *Fed. Reg.* 54603 (Sept. 8, 2000) and in the Official Gazette on September 19, 2000, 1238 *Off. Gaz. Pat. Office* 77 (September 19, 2000).

The major focus of the Patent Business Goals is to increase the level of service to the public by raising the efficiency and effectiveness of the office's business processes. In doing so, the office has significantly assisted independent inventors and inventors associated with small businesses. This assistance appears in the form of extensive changes to the procedures for claiming small entity status, receiving office refunds, presenting bibliographic information, reviewing drawings, submitting computer program listings and nucleotide and/or amino acid disclosures, making amendments, and filing design applications. The extensive changes in each of these respective procedures are beneficial for individuals and small businesses by allowing them to save time and money involved in filing and prosecuting a patent application.

SMALL ENTITY STATUS. Previously complicated requirements for establishing small entity status and costly up-front fees associated with the failure to establish small entity status are eliminated. The ability to pay small entity fees may now be obtained by a simple written request for small entity status without using specialized forms or particular language (37 CFR 1.27). To further ensure that small entities obtain the status they are entitled to, the payment of a small entity filing fee in its exact amount will be treated as the required written assertion. Prior to the rule change, a mere statement that an applicant was entitled to pay small entity fees would have been insufficient to obtain small entity status. Additionally, a

failure to fully comply with the complicated requirements would have resulted in extended correspondence with the office, additional payments of a surcharge for failing to properly and timely request small entity status and extension of time fees, and even possibly, abandonment of the application. Now, applicants may simply ask for small entity status when they have determined they are entitled to it through the use of any type of clear instruction or pay a small entity filing fee in its exact amount.

ELECTRONIC REFUNDS. Fees paid by check that are in excess of what is required or that are paid in error can now be refunded electronically (37 CFR 1.26). Electronic refunds are performed by capturing the banking information on an applicant's check and making a deposit to the identified account. Formerly, refunds were made by issuance of a Treasury check to the applicant, which was time consuming to both the Office and the applicant and which required the applicant to process the check. Refunds can now be done in a more timely manner and paid directly into the account from which the fee was originally drawn.

APPLICATION DATA SHEETS AND FILING RECEIPTS. An electronic format can now be used for presenting bibliographic information in a patent application (37 CFR 1.76). Using a format, available on the USPTO Website <http://www.uspto.gov/web/offices/pac/dapp/sir/doc/patappde.html>, applicants may prepare one document that will contain all applicable bibliographic data for that particular application. The office can then electronically scan this document and use the data to produce filing receipts for applications, published applications, and patents which are more accurate.

Small businesses and independent inventors, who some times have a narrow field of activity, will soon be able to propose to the office where they think their application might be best examined. This proposal will be done by indicating on the application data sheet a suggested classification, including class and subclass, and the appropriate technology center. While not binding on the USPTO, such suggestions will help the office assign the application to the most appropriate area in a more timely manner and ensure that it is examined by the area in the office with the most expertise in that particular technology. Should an applicant receive a filing receipt for an application that contains an error, the office will now issue a corrected filing receipt without charge and without the need of an investigation as to fault to determine if the applicant should be charged for the corrected receipt.

DRAWINGS. Drawings will now be reviewed only for their ability to be reproduced by electronic scanning and to ensure that drawings

are properly labeled as figures. While the PBG-Final Rule continues to retain information as to the need for very high quality drawings, the rule will be enforced by the Office only for compliance with minimum requirements. These minimum requirements are necessary to allow the drawings to be reproduced by scanning and to be used for preparation of a patent application publication or patent. The Office intends to publish a notice in the USPTO's *Official Gazette* to identify the minimum critical requirements for drawings. Although patent application publications are expected to be a primary source of prior art, and the originally filed drawings are used by the examiner to review and understand the application during examination, an insistence on the submission of very high quality drawings before examination can result in significant delays and can be very expensive for small businesses and independent inventors. Consequently, the USPTO has determined that it will enforce only certain minimum requirements while providing guidance in 37 CFR 1.84 as to how to produce higher quality drawing for those who wish their application and patent publications to reflect better quality standards.

COMPACT DISCS. Computer program listings above 300 lines must now be supplied in compact disc form instead of microfiche (37 CFR 1.96). Additionally, nucleotide and/or amino acid disclosures can be submitted only in compact disc form. A paper copy is no longer required (37 CFR 1.821). Computer program listings, and nucleotide and/or amino acid disclosures generally represent an enormous volume of information. The previous requirement for submission of computer program listings in microfiche form was a costly burden for small businesses and independent inventors. The production, handling, and shipment of paper forms of nucleotide and/or amino acid disclosures were also a time consuming and costly expense. Now both computer program listings and nucleotide and/or amino acid disclosure may be submitted in electronic form, a form in which the applicant already has such information.

AMENDMENT PRACTICE. There is a new method for making amendments by use of clean replacement paragraphs or sections for the specification and clean rewritten claims (37 CFR 1.121). Office experience found that making amendments under the old practice of underlining additions and bracketing deletions was difficult for independent inventors and small businesses to comply with correctly. Now applicants may simply create a clean new version, which can be supplied as the amendment, and use a word processing compare function to create a separate marked up version to indicate the changes being made to the specification and claims. Examiners may now also perform examiner's amendments through the use of faxed and e-mailed submissions from applicants, which

should accelerate prosecution.

DESIGN APPLICATIONS. An applicant may now request that a design application be processed and examined in a very short period of time notwithstanding when it is filed and its consequent place in the office docket system (37 CFR 1.155). Certain requirements, such as a preexamination search and a \$900 fee, must be complied with in order to receive the expedited examination. The economic value of certain design patents can be very time dependent. The new expedited treatment, while somewhat costly, can help small businesses and independent inventors quickly obtain protection for their most valuable designs while they are currently in vogue.

To assist the public and patent practitioners in becoming familiar with and understanding the PBG-Final Rule package, the agency's Office of Patent Legal Administration has prepared and provided a number of helpful materials which are posted to a PBG - Final Rule home page on the USPTO Web site at <http://www.uspto.gov/web/offices/dcom/olia/pbg/index.html>. These materials include, in part, a summary of the most significant changes, a highlights document, and the *Federal Register* publication of the PBG-Final Rule. The PBG home page also features PowerPoint slides which provide detailed rule information, a listing of all office forms which have been changed, frequently asked questions and their answers, and bulletins which summarize the implementation of significant rule changes. The PBG home page, in addition, provides links to other rule-related items and office initiatives. The PBG home page will be continuously updated to provide further information and guidance in dealing with the amended and newly added rules.

For further information regarding the PBG-Final Rule, contact Hiram H. Bernstein ((703) 305-8713) or Robert W. Bahr ((703) 308-6906), Senior Legal Advisors, or Robert J. Spar, Director ((703) 308-5107) Office of Patent Legal Administration, directly by phone, or by facsimile to (703) 305-1013, marked to the attention of Mr. Bernstein, or by mail addressed to: Box Comments-Patents, Commissioner for Patents, Washington, D.C. 20231.

Patent Public Advisory Committee Holds First Meetings

by Marion Knode, Supervisory Patent Examiner, Technology Center 1760

The Patent Public Advisory Committee held its first meeting on August 22 and 23, 2000, in Arlington, Virginia. The committee was formed as a result of the American Inventors Protection Act. They will oversee the Patents Organization and help the agency achieve higher levels of productivity and quality.

The committee by statute has nine voting members who are appointed by the secretary of commerce. They are appointed for a three-year period, except of the first members appointed, three were appointed for a term of one year and three for two years. The members must be citizens of the United States and represent the diverse interests of USPTO users with respect to patents; represent small and large entities located in the United States and at least one independent inventor; and shall be individuals with substantial background in finance, labor relations, science, technology, and office automation. In addition to the voting members, the committee includes a non-voting representative of each labor organization recognized by the USPTO.

The Patent Public Advisory Committee will review the policies, goals, performance, budget, and user fees of the Patents Organization and submit to the secretary of commerce a report on these issues within 60 days after the end of each fiscal year. The report will be published in the *Official Gazette*.

This highly energized committee supports the direction the USPTO is headed. They face many of the same challenges in their organizations and shared their experiences suggesting ways to help USPTO function more effectively.

The group affirmed by vote Under Secretary Dickinson's business priorities of quality, timeliness, and electronic-business. They also voted in support of full fee retention for the USPTO. This income is essential for running a high performance organization and protecting the future of intellectual property.

The committee applauded the agency's efforts to improve customer service and validated the importance of each employee's role in overall customer satisfaction. They expressed interest and enthusi-

asm for the patent reengineering lab and were very interested in electronic capture of applications.

During their two days at the USPTO, the committee members toured the Office of Initial Patent Examination, the Patent Copy Center, and Patent Technology Center 2700 as well as areas in Trademarks including electronic filing and paper handling. A lively discussion followed the presentations of the Patent Business overview and report.

The Patent Public Advisory Committee also met on October 11, 2000. This was a closed meeting to discuss the USPTO fiscal year 2002 budget. Meetings are open to the public, except when considering personnel and/or other confidential information.

The members of the Patent Public Advisory Committee are:
Chairperson **Margaret Boulware**, an intellectual property attorney and partner with the firm of Jenkins & Gilchrist in Houston, TX;
James L. Ferguson of Redwood City, CA, an independent inventor in the field of liquid crystal display;
Andy Gibbs of Yuba City, CA, an independent inventor and entrepreneur;
Patricia W. Ingraham of Binghamton, NY, the director of the Alan K. Campbell Institute for Public Affairs at Syracuse University and Distinguished University Professor at the Maxwell School of Citizenship and Public Affairs;
Roger L. May of Dearborn, MI, the president, CEO and general counsel of Ford Global Technologies, Inc.;
Gerald J. Mossinghoff of Arlington, VA, senior counsel to the firm of Oblon, Spivak, McClelland, Maier & Neustadt;
Ronald E. Myrick of Weston CT, the chief intellectual property counsel for the General Electric Company;
Vernon A. Norviel of San Jose, CA, the vice president and general counsel of Affymetrix; and
Katherine E. White of Ann Arbor, MI, an elected member of the University Board of Regents and an assistant professor of law at Wayne State University in Detroit, MI.
The committee also includes representatives from the USPTO bargaining units.

The Patent Business – Part One

A Conversation with Nicholas Godici, Commissioner for Patents

by Anne M. Houghton, Office of the Deputy Commissioner for Patent Resources and Planning

Just south of Washington, D.C., and adjacent to the Pentagon, is the Virginia suburb of Crystal City – a maze of high rises and underground tunnels that connect the offices and workers of the USPTO to each other. It may look like another metropolitan hub, but there's a revolution going on in this beehive of buildings. A government agency is breaking out of its traditional boundaries and blurring the line between government and business. The home of the second performance based organization (PBO) in the federal government, the USPTO is intent upon changing the way that people think of a government agency, the goods and services that they receive from that agency, and their daily interactions.

This article is the first of four that profile the senior management of the patents side of the USPTO. Beginning with commissioner for patents, Nicholas P. Godici, these articles explore the concept of the "Patent Business" and its implications for the future of patents and intellectual property in the United States. In the coming months, *USPTO Today* will continue this series with interviews from Edward "Kaz" Kazenske, deputy commissioner for patent resources and planning, Stephen G. Kunin, deputy commissioner for patent examination policy, and Esther M. Kepplinger, deputy commissioner for patent operations.

AH - You refer to Patents as the "Patent Business." What does the "Patent Business" mean to you?

NG - We talk about the Patent Business instead of the "Patents Operation" or the "Patents Organization" because we are using business principles to run our Patents organization. Let's talk about business principles. If you think about what a business does - it listens to customers with respect to the products and services it renders, and then uses its fees in an efficient manner to deliver the products and services its customers want. And really, those are the kind of principles that we're using in terms of managing the Patent Business. Because we're a performance-based organization, it is important to incorporate these principles into our operational planning. Another aspect parallel to the business world is that we measure our performance. The PBO principle is measuring how you're doing with respect to a target or goal and attempting to

improve upon those measurements. We certainly do a lot of that, both internally and externally.

Internally, our employees have objective criteria so we can measure performance. As an organization we measure our performance by our external customer's voice in surveys. On the flip side, some people say that since we're government, and there's really no other place for people to go to get a U.S. patent, we're really not a business. I recognize that argument, and I'm not trying to say that we are a business and trying to make a profit, but I think the difference is that we are using business principles to manage our operation. Because we are fee-funded, and the monies we have to do our job come from our customers, we owe it to them to deliver the products and services that they want in the manner that they want them.

AH - You've identified five goals for the Patent Business that correspond to the new PBO goals. Could you tell me what these goals mean to the Patent Business?

AH - Enhance the Quality of Our Products.

NG - Let me define what our products are. They are the patents we issue, the quality of the searches we perform, and the office actions we write during the prosecution of the application. What we're doing, as I mentioned before, is using measurements that are both external, from a customer perspective, and some of our traditional internal measurements to measure how we're doing. Then we set performance targets. We have some long-range targets that are set up in our *Strategic Plan* with respect to all these goals, and we have yearly targets. The yearly targets with respect to the quality of the patents, our searches, and our office actions are measured primarily through our customer's feedback in surveys.

AH - Improve the Quality of Our Services.

NG - Services to us are prompt, efficient, and correct interactions with our customers on a daily basis. This is more of a customer service aspect. When people call the USPTO, do they get the right answer? Have we been able, from an administrative standpoint, to make their experience with the USPTO a pleasant one? We've been concentrating hard on that and have seen a big payoff in the last two - three years. This past year especially our customers are saying that we're doing a much better job in customer service.

AH - Optimize Our Processing Times.

NG - Certainly timeliness has to be part of the balance. It doesn't do much good if we have perfect quality but don't issue patents in a timely manner. But here we've shifted focus based on the new AIPA legislation in terms of what is measured. We've always considered timeliness important, and in the past we've measured it in terms of pendency or cycle time. But because AIPA set forth certain standards for us to meet in order to avoid patent term extension, we're using those measurements which include delivering a first office action in 14 months or less, and turnaround time on amendments in four months, and so on. So we have developed the measurement tools to assess our overall performance in those areas all the way down to the technology center level. We have put plans in place to ensure we hit those targets that we set for ourselves under this goal, both yearly targets and long-term strategic targets.

AH - Enhance Our Employees' Satisfaction.

NG - What we're talking about here is the USPTO becoming an employer of choice. Certainly for us to do the best job possible in terms of quality, service, timeliness and so forth, we need a good, high performing, highly trained and educated staff of employees. It's important to us that we obtain and maintain a high performing staff, and one of the ways to do that is to become an employer of choice. Some of the things that contribute to the USPTO being an employer of choice are things like the family-friendly flexibilities that we instituted for our workers taking into account child-care responsibilities, school, and so on. Training is another important factor in terms of our employees performing at their highest level. Besides offering law school, technical courses, and the PTO University to our employees, we've continually tried to enhance our internal training this year. But I think the bottom line is that by enhancing all opportunities -- workplace flexibility, career advancement, educational opportunities, and so on -- the USPTO will become the employer of choice.

AH - Integrate Our Business Practices into E-commerce.

NG - Well, you don't have to read too many newspaper articles to see that doing business electronically, and the convenience of doing business electronically, is something that everybody wants. Moving away from a paper-based, mail-based system, to people being able to interact with any business electronically has to be a piece of your business if the business is going to survive. So we are moving forward in allowing our customers to interact with us electronically--filing patent applications electronically, and eventually filing other papers with us, buying copies of patents over the Internet, interacting with us via e-mail in the future, and so on. It's also a

government priority. Both of our presidential candidates have expressed the fact that the government has to move out in respect to allowing citizens to do business with the government via the Internet. I don't think there's anybody that disagrees with that. But the other advantages to automating our processes are being able to deliver better customer service. This goal, itself, feeds most all the other goals.

We have an excess of 500,000 active patent applications. What that means is that there is one paper file for each of the applications that could be located in any one of the 18 buildings in Crystal City, several warehouses that we operate, or in Pennsylvania at our publisher. It's just becomes a nightmare in managing paper files. With an electronic system in place, you can have multiple people accessing a single electronic file from many different locations, and you never lose one. A lot of our customer service problems would disappear because we wouldn't have to call a customer and say "We can't find the file." But that's just one piece of doing electronic business. The convenience of someone in a foreign country being able to log on to our Web site and file a patent application or a trademark application over the Internet - that really is something that we've been working toward for a long time and finally have reached. But we have a lot more to do in terms of integrating and making an electronic file wrapper that goes all the way through the process. It's something that our customers want and deserve, and we're excited about it.

AH - You've recently published the Patents Strategic Plan. In it, you refer to patents as "the currency of the information age." Could you elaborate on that concept and how that relates to the future of the Patent Business?

NG - Patents are property just like a piece of land, or a car, boat, or house. They can be bought or sold. If you look at businesses today, especially over the last few years, you will see that the value of a business is shifting from what we call bricks and mortar to what information or what intellectual property a company owns. You look at some companies like Priceline.com or some of the other e-business companies, and there's not a lot of bricks and mortar. Amazon.com may have a few warehouses, but the value of the company and its stock is tremendous. And what is that based on? It's based on their intellectual capital and the confidence that the marketplace and subsequently the stock holders and stock buyers have in the company being able to run their business successfully based primarily on the business models that they own. So when you get back to this concept of the "currency of the information age," we're changing from this bricks and mortar type of

valuation of an organization to the intellectual concepts that they have developed and have protected. Those intellectual concepts are used in the business and also bought, sold, or licenced. As I said before, a lot of literature now talks about the valuation of a corporation and the percent of that valuation being hard goods versus intellectual property. You will see the pie charts showing less and less in terms of hard goods valuation to more and more intellectual capital of the organization.

AH - You've talked about the future implications of the Patent Business goals. How do you envision the Patent Business five years from now?

NG - I really do think that our fifth goal, with respect to electronic commerce and the electronic environment, is key. The term "paperless" is overused, but I think we're going to see much less paper and a much more efficient operation. Just the fact that we're paperless doesn't mean anything unless we're delivering better quality, better products, better service in a more timely manner. That's really the outcome of being electronic – higher quality and a more efficient operation. You might as well not do it if you don't get those. Additionally, I think some of the traditional thinking with respect to what our workforce looks like and how it operates will change dramatically, and I think that we will be in a situation where we will have people working from home much of the time. It's going to present some challenges in terms of how we train people, how they are managed, and so on and so forth. But I think in five years from now, we will have figured all of that out, and we'll have the significant portion of our workforce working from home or in other types of flexible schedules like that, maybe not even in Northern Virginia.

AH – Remotely accessing across the country or even globally working for the USPTO?

NG - Absolutely. I think that there's going to be a big challenge in the next five years in terms of finding engineers and scientists in the marketplace. There's huge competition for those kinds of skills, especially in the electronics and information processing areas and therefore we're going to have to find ways to attract and retain that type of skill level that we need at the USPTO. Let's face it. We're at the cutting edge by the very jobs that we do. We're at the cutting edge of technology, and we need people that understand and are immersed in cutting edge technology. That's going to be a challenge for us to keep up.

AH – In five years do you think you will have met that chal-

lenge?

NG - I think we will, but I think it's going to take some creative approaches to attracting and retaining people. The traditional government structure with respect to pay, and so on may be something we have to take a hard look at to do something different to compete. I think with respect to how this business is going to look five years from now, from an external viewpoint, because of the changes like pre-grant publication and to a certain extent term adjustment, and some of the other system changes, there's going to be a different strategy in terms of how people use the patent system. I don't think we fully appreciate how things are going to change with the implementation of the [AIPA] legislation, particularly PG-pub. It's going to be a learning process for both the users of the system as well as for us here administering the system. Then we'll have to react to the way our customers are using the system, if they're using it in a different manner to deliver what they need, and possibly develop different types of products. So that's how I see us now, on the edge of a change and not knowing exactly what that's going to mean. Our customers will tell us what they want, and then we'll react to it.

AH – It sounds like you're customer driven based on the impact of the AIPA and how your customers react to it and you're reaction to their needs.

NG - That's right down that line from the first question - that's why we call it a business.

AH –Do you have any closing thoughts about the Patent Business?

NG - One last thing in terms of change over the next five years: there are going to be tremendous opportunities for people at the USPTO to step up to the plate in leadership roles. There are going to be opportunities at the most senior level and opportunities throughout the organization for people who really understand and patent system and how it serves the country and how it serves the economy. Traditionally these kinds of leadership roles have been filled by those coming up through the organization. We're not the type of agency that brings in our career management from outside the USPTO. So our current employees are the people that will rise through the ranks to manage the USPTO in the future. Having said that, I think we're going to be OK. We have good, solid people here who are capable of rising to the challenge.

AH- It sounds like you're implying it's an employee-run organi-

zation.

NG – Right! That’s it.

USPTO Holds 3rd Annual Open House In Partnership with BIO

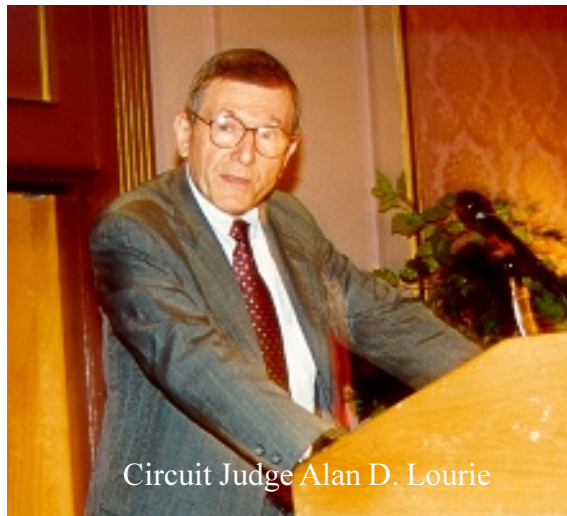
By Paula Hutzell, Technology Center 1600, and Mindy Fleischer, Search and Information Resources Administration

On Wednesday October 18, 2000 Technology Centers 1600 and 2900 in conjunction with Search and Information Resources Administration and in partnership with the Biotechnology Industry Organization, a group that represents the interests of thousands of members of the biotechnology industry, hosted its third Open House. More than 250 external customers and USPTO employees attended the event.

Concurrent with the Open House, TC1600 also held a Technology Fair for the examining and technical support staff during which invited speakers presented lectures on a variety of technical and administrative support topics. More than 40 examiners from the Technology Center helped to welcome customers and to pass along the message of the USPTO’s commitment to customer service.

The Open House program began with welcoming remarks from TC1600 directors John J. Doll and Jasemine C. Chambers. The directors were followed by a line-up of senior USPTO officials, including the commissioner for patents, Nicholas Godici; chief administrative patent judge, Bruce H. Stoner; and the administrator for search and information resources, Frederick Schmidt, who spoke on the USPTO’s strategic plan and customer service goals, Board of Patent Appeals and Interferences statistics and tips for appeals and interference practice, and USPTO automation issues, respectively. Following the plenary session was a town hall meeting featuring Mr. Godici, Judge Stoner, Mr. Schmidt, TC 1600 Directors Chambers and Doll, TC 2900 Director John Kittle, and Edward (“Kaz”) Kazenske, deputy commissioner for patent resources and planning, during which participants asked questions, voiced concerns and gave feedback.

A luncheon held at the Sheraton was attended by Open House participants, Technology Fair speakers, TC 1600 and TC 2900 managers and more than 50 examiners, which provided an opportunity for customers to speak personally with Technology Center staff about their ideas, questions and concerns. During the luncheon, attendees were delighted to hear Circuit Judge Alan D. Lourie of the Court of Appeals for the Federal Circuit reflect both on his judicial experiences and his experience as a practitioner before the USPTO.



Circuit Judge Alan D. Lourie

During the afternoon, John Kittle and TC 2900 managers and staff hosted a Design program in the Patents Theater while John Doll and Jasemine Chambers and TC1600 managers and staff hosted the biotechnology, organic chemistry and pharmaceuticals program in the Crystal Forum and Head Supervisory Legal Instrument Examiners Helen Childs and Margaret Stevens hosted an Administrative Support Roundtable. The Design program featured a line-up of speakers from industry, academia and the USPTO, who spoke on topics including the Hague agreement and related legislative initiatives, as well as a variety of design practice issues. The TC1600 afternoon program featured panel discussions led by supervisory patent examiners. The panels presented information on technological and procedural hot topics and answered questions and noted comments from the audience on topics pertaining to patent policy and procedure, a style that emphasized the TC1600 commitment to listening to their customers. During the administrative Support roundtable, Helen Childs, Margaret Stevens, and a panel of administrative support managers presented information and answered questions on administrative hot topics.

The afternoon program concluded with tours of the technology center and the Biotechnology and Chemistry Library, and demonstrations by SIRA staff of DNA/Protein Search Systems, Computer Readable Format Sequence Submission and PatentIn 3 demos. The day was capped by a reception in the Crystal Forum hosted by Jasemine Chambers, John Doll, John Kittle and Frederick Schmidt.

During the Technology Fair that ran concurrently with the Open House, 18 speakers gave enlightening presentations to patent examiners and technical support personnel. The highly distin-

guished group of experts included Nobel Prize laureate Dr. Richard Roberts, of New England Biolabs, Inc., who discussed the birth of Bioinformatics.

Jodi Davis, of Nath & Associates, presented law office administrative

processing techniques. Dr. Jonathan Ashwell of the National Cancer Institute generated a lot of interest in T-cell apoptosis. Rousing discussions of immunology followed the presentations by Dr. Ethan M. Shevach of NIH on transgenic models of autoimmune diseases and cytokines and their receptors in T-cell differentiation. A creative presentation on transgenic plants for the production and characterization of proteins and proteomic technology was given by Dr. Guy Della-Cioppa and Dr. Leigh Anderson of Large Scale Biology Corporation. Examiners were given the opportunity to hear about the latest techniques in tooth whitening by Dr. Paul Sagel of Proctor & Gamble. Overall, the presentations covered a variety of topics which provided TC 1600 employees an opportunity to interact with experts in their respective fields.

Feedback from attendees about the Open House and Technology Fair was overwhelmingly positive and all expressed their wish for the USPTO to continue to use the Open House and Technology Fair concepts to exchange information with them and to hear their concerns. Clearly both events were a success for both the Patent Business and its customers.



from left: USPTO's Michael Woodward, Mukund Shah, Cecilia Tsang, Brian Stanton, Mindy Fleisher, and Gary Benzion

Faces of the USPTO

The American Intellectual Property Law Association recognized the outstanding contributions of these patent examiners “to the integrity of intellectual property law while in distinguished service with the United States Patent and Trademark Office.” AIPLA president, Lou Pirkey, and commissioner for patents, Nick Godici, presented certificates at the association’s annual conference in October.



***AIPLA president,
Louis T. Pirkey***

Charles Cooley

Technology Center 1700
10 years of service



William Kamm

Technology Center 3700
39 years of service

Yon Couso

Technology Center 2700
12 years of service



Huy K. Mai

Technology Center 2800
13 years of service

Daniel Crane

Technology Center 3700
28 years of service



Dhirajlal Nakarani

Technology Center 1700
10 years of service

Fritz M. Fleming

Technology Center 2800
15 years of service

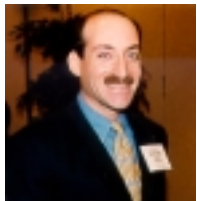


David P. Porta

Technology Center 2800
15 years of service

David Fox

Technology Center 1600
16 years of service



Chris Rodee

Technology Center 1700
12 years of service

Thomas R. Hannon

Technology Center 3600
18 years of service



Alan Rotman

Technology Center 1600
38 years of service

Harold J. Tudor

Technology Center 3600
30 years of service

**Edward Urban**

Technology Center 2700
12 years of service

**William P. Watkins**

Technology Center 1700
12 years of service

**Steven A. Bratlie**

(photo not available)
Technology Center 3600
28 years of service

Noah Kamen

(photo not available)
Technology Center 3700
19 years of service

Chris Low

(photo not available)
Technology Center 1600
12 years of service

Robert Weinhardt

(photo not available)
Technology Center 2700
15 years of service

Helpful Hints for Patent Applicants

Correspondence by Mail and Facsimiles

The USPTO is constantly striving to improve the proper routing and delivery of papers. As the largest recipient of mail in the Washington, D.C. area, the USPTO receives an average of 46,000 pieces of mail daily in our Mail Center including 6,000 pieces of

incoming mail from United States Postal Service. The Patent Business is currently conducting two separate facsimile pilots to enhance FAX processing capabilities.

Tips for correspondence by mail and facsimile:

- Make sure the Serial Number is clearly indicated on the paper.
- Make sure the type of response is clearly indicated on the paper, e.g. Amendment under 37 CFR 1.111, Status Inquiry, etc.
- Use the Patent Application Information Retrieval (PAIR) system to securely access patent application status electronically. Check out our Web site for details.
- Each technology center has a customer service center. Call them when you need to check on the status of a paper.

Mail tips:

- If the paper is a petition that is decided by the Special Program Law Office and the Office of Petitions, the correspondence should be directed to “Box DAC.”
- If the paper is an Amendment After Final, the correspondence should be directed to “Box AF”.
- All post allowance correspondence should be addressed “Box Issue Fee”.
- A return postcard should be attached to each patent application for which a receipt is desired. The postcard should itemize all of the components of the correspondence, as it may be needed later to serve as evidence that they were received by the USPTO.

Facsimile tips:

- If your document is informal, please clearly indicate this on the paper.
- Verify the facsimile number prior to sending the transmission.
- A Certificate of Transmission should be included in your correspondence sent by facsimile, as it may be needed later to serve as part of evidence to support that your facsimile was received by the USPTO.
- Save a copy of the submission and a copy of the transmission record.

American Inventors Protection Act of 1999 (AIPA) In Summary

by Robert Clarke, Legal Advisor, Office of Patent Legal Administration

Inventors' Rights Act of 1999 (subtitle A): The inventors' rights provision became effective February 28, 2000. This provision helps protect inventors against deceptive practices of certain invention promotion companies. It also requires the USPTO to publish complaints concerning invention promoters (and the invention promoter's response). The USPTO published an interim rule in January of 2000 (Complaint Regarding Invention Promoters, 65 Fed Reg. 3127 (Jan. 20, 2000)) to implement this provision.

Patent and Trademark Fee Fairness Act of 1999 (subtitle B): This provision reduces certain patent fees (the basic filing or national fee and first maintenance fee) and authorizes the USPTO to adjust trademark fees in fiscal year 2000 without regard to fluctuations in the Consumer Price Index. It also requires the USPTO to conduct a study of alternative fee structures that could be adopted to encourage maximum participation by the inventor community. The USPTO published a final rule in December 1999 (Revision of Patent and Trademark Fees for Fiscal Year 2000, 64 Fed. Reg. 67774 (Dec. 3, 1999)) to implement this provision.

First Inventor Defense Act of 1999 (subtitle C): This provision provides a defense against charges of patent infringement for a party who had, in good faith, actually reduced the subject matter to practice at least one year before the effective filing date of the patent, and commercially used the subject matter before the effective filing date. The defense is limited to methods of "doing or conducting business." The USPTO has not, and does not expect to publish a rule package to implement this provision.

Patent Term Guarantee Act of 1999 (subtitle D): Utility and plant patents issuing from applications filed on or after May 29, 2000, will be eligible for patent term adjustment for many administrative delays within the Office. An application filed on or after May 29, 2000, which is eligible for patent term adjustment (PTA) includes a new application for a utility or plant patent, including a continuation (e.g., a continued prosecution application (CPA)) or divisional application.¹ A request for continued examination (RCE) (37 CFR

1.114) is not a new application and filing a RCE in an application filed before May 29, 2000, will not cause the applicant to be eligible for PTA. See Changes to Application Examination and Provisional Application Practice, Interim Rule, 65 Fed. Reg. 14865 (Mar. 20, 2000); Request for Continued Examination Practice and Changes to Provisional Application Practice, Final Rule, 65 Fed. Reg. 50092 (Aug. 16, 2000); Bahr, Robert, Request for Continued Examination (RCE) Practice, 82 Journal of the Patent and Trademark Office Society 336.

The new statutory “patent term guarantee” establishes three main bases for adjusting the term of a utility or plant patent: (1) if the Office fails to take certain actions within specified time frames (35 U.S.C. § 154(b)(1)(A)); (2) if the Office fails to issue a patent within three years of the actual filing date of the application (35 U.S.C. § 154(b)(1)(B)); or (3) for delays due to interference, secrecy order, or successful appellate review (35 U.S.C. § 154(b)(1)(C)). The AIPA requires that any PTA accrued in an application be reduced by the time period during which an applicant fails to engage in reasonable efforts to conclude prosecution of an application. The AIPA also requires that the Office make an initial determination of the patent term adjustment with the notice of allowance, and that one opportunity to request reconsideration, or request reinstatement of certain time periods, be provided prior to grant of the patent.

Of particular importance, the second main basis, 35 U.S.C. § 154(b)(1)(B), provides for term adjustment where the Office does not issue a patent within three years of the actual filing date of the application, but some time periods do not count towards this three year period. For example, any time consumed by continued examination under 35 U.S.C. § 132(b) (37 CFR 1.114), imposition of a secrecy order, declaration of an interference, appellate review or applicant requested delays does not count towards the three year period. Furthermore, the three year period begins with the filing date of the application, not any earlier-filed application relied upon for priority under 35 U.S.C. § 120. Accordingly, if an application is filed on May 29, 2000, and a continuation of that application is filed on June 5, 2002, the three-year period will run from June 5, 2002. In addition, in the final PTA rule, the “actual filing date” of an international application which enters the national stage is considered to be the date of commencement of the national stage as to the United States under 35 U.S.C. 371(b) or (f). A RCE of an application filed before May 29, 2000 continues to be ineligible for PTA, because the filing of a RCE does not result in a new filing date. Further, filing a RCE, of an application filed on or after May 29, 2000, cuts off any additional PTA due to failure of the Office to

issue a patent within three years. An applicant, however, may continue to accrue PTA for events after filing the RCE pursuant to the other two PTA bases. For example, if an application was filed on June 1, 2000, and on August 1, 2003, a RCE is filed, and during the processing of the RCE the Office fails to meet one of the “time clock” periods by one month, such as acting on a reply within four months of the filing date of the reply, PTA may accrue for events after the filing of the RCE. If the application issues as a patent on August 1, 2004, the patent will be eligible for a term adjustment of three months (two months for the time from the three year anniversary date to the filing date of the RCE plus one month for missing the four month reply period).

The notice of the final rules implementing PTA was published on September 18, 2000 (65 Fed. Reg. 56365). This notice implements the PTA statutory provision by providing for PTA accrual based on the failure of the Office to perform acts within the statutory time periods, see 37 CFR 1.703. The reductions for failure to engage in reasonable efforts to conclude prosecution are implemented by 37 CFR 1.704. The opportunity to request reconsideration, or reinstatement of the time period(s) taken in excess of three months to reply to a notice made by the Office are implemented by 37 CFR 1.705.

The Office will make an initial determination of the patent term adjustment with the notice of allowance, as required by 35 U.S.C. § 154(b)(3)(B)(i). Because this initial determination is made before all of the events giving rise to PTA have occurred, this initial determination (prediction) will state, for example, “The patent term adjustment to date is 857 days. If the issue fee is paid on the date that is three months after the mailing date of this notice and the patent issues on the Tuesday before the date that is 28 weeks (six and a half months) after the mailing date of this notice, the term adjustment will be 1058 days.” The notice will also state that applicants may be able to obtain more information through the Patent Application Information Retrieval (PAIR) system. PAIR is a means of accessing the Office computer records (PALM) for an application over the Internet. The address for PAIR is <http://pair.uspto.gov>. Applicants need a customer number and Public Key Infrastructure (PKI) software to obtain the information for unpublished applications. Information related to patents, and after November 29, 2000, for published applications, is available to the public through PAIR.

The Patent Term Guarantee Act of 1999 also amended 35 U.S.C. § 132 to provide for continued examination if requested by the applicant, and authorized the USPTO to charge a fee for such

continued examination (reduced by fifty percent for small entities). This provision took effect on May 29, 2000, and applies to utility and plant applications filed on or after June 8, 1995. The final rule notice for RCE was published on August 16, 2000, (65 Fed. Reg. 50092) and modified the interim rules that were in effect on May 29, 2000. The AIPA allowed the Office to establish appropriate fees for submission of a RCE. The appropriate fee was determined by the Office to be the same as the basic filing fee for a utility application. Fees for extra claims need only be paid if the claims in excess of the number previously paid for are submitted with or after filing of a RCE.

The interim rules provided that any plant or utility application filed on or after June 8, 1995 could request continued examination by filing a request, payment of the fee, and a submission. Thus, an applicant could file a RCE in an application under a non-final Office action. The final rules limited the applications for which a RCE may be filed, to plant or utility applications under an action that closed prosecution, *e.g.*, a final rejection, an action under *Ex parte Quayle*, a notice of allowability, or notice of appeal. This was done because an applicant under a non-final Office action has the right to make any amendment suitable as the submission in a RCE as a matter of right without filing a RCE.

[Note: An *ex parte Quayle* action is appropriate when all of the claims in an application are considered allowable by the examiner, but where the prosecution of the application may not be fully closed because of outstanding formal matters. Replies by an applicant to an *ex parte Quayle* action must be limited to the noted formal matters.]

The submission accompanying the RCE must meet the reply requirements of 37 CFR 1.111 if either an *Ex parte Quayle* action or a final rejection is outstanding in the application. If the submission does not meet the reply requirements, but is considered by the examiner to be a *bona fide* attempt (37 CFR 1.135), then the reply period set in the prior Office action is tolled and an Office action is given, with a new period for reply, notifying applicant what is required to complete the reply. The submission may be a previously filed amendment that was submitted after final, or arguments presented in an appeal brief. If applicant desires the argument presented in an appeal brief to be considered as the submission, then the applicant must specifically request that they be considered. All after-final amendments will be, to the extent possible, automatically entered in date order unless applicant specifically requests that some or all after-final amendments not be entered.

After it has been decided to seek further examination of an

application, the decision on whether to file a RCE or a new continuing application requires an evaluation of cost factors and PTA considerations. A RCE is not a new application, but is a new form of reply allowed by the AIPA and new 37 CFR 1.114. The fact that a RCE is merely a reply in an application has a number of incidental results on what must be included with the RCE, and the procedure for changing information related to the application. A review of these differences is available on the Office's website at: http://www.uspto.gov/web/offices/dcom/olia/aipa/comparison_of_cpa_practice.htm. Of significant importance is to understand and consider the PTA impact of choosing between a RCE and a continuing application, which is discussed above in relation to the PTA implementation.

The RCE final rule notice also provided for no cause suspension of action by the Office for up to three months on filing either a RCE or a CPA application (37 CFR 1.103(b) and (c)). The entire period of suspension, however, will result in a reduction in any PTA accrued in the application.

Domestic Publication of Patent Applications Published Abroad (subtle E): The statutory mandate to publish applications for patents required by the American Inventors Protection Act of 1999 is one of the most fundamentally significant changes to the American Patent system in this century. The statute requires the Office to publish an application 18 months after the application's filing date, or the filing date of a prior application, including a foreign application, if the US application claims benefit to the prior application's filing date. The statute excludes from the universe of applications that must be published: any application filed before November 29, 2000; any design application; any provisional application; applications subject to a secrecy order; any application no longer pending on its publication date; and any application in which the applicant files a request, on filing, that the application not be published. The request that an application not be published may only be filed in applications where applicants have not and will not file an application for the same invention in a foreign country, or under an international agreement, that requires publication at 18 months from filing or benefit date. Essentially all applications filed in foreign countries and applications filed under the Patent Cooperation Treaty publish on that date. The statute also provides for publication of utility and plant applications filed before November 29, 2000, but only if applicant requests it. This is called voluntary publication.

In implementing the statute, the Office had to consider that the publication will have prior art effect in the same manner as patents,

e.g., starting from the earliest effective filing date of the application. Thus, the publication will likely become the predominant form of prior art used by examiners and the public because it will be published earlier than corresponding patents and because applications will be published regardless of whether a patent is granted on the application. This prior art impact required that the Office ensure that the publication be suitable for use as a prior art document, *e.g.*, be computer searchable, include suitable drawings, abstracts, and titles and be classified for searching and retrieval purposes. The Office was also concerned by the somewhat competing concerns of avoiding unnecessary costs on the applicant in preparing a suitable publication document and ensuring the availability of the application's file wrapper for review by the examiners. Because of these concerns, the Office will prepare an image database of applications, as filed, which will be used as the source file for publication purposes. This will avoid both disrupting examination of the applications for which publication is required and unnecessary costs. This up-front data capture requires a change in the up-front review of applications to ensure that the publication is suitable as a prior art document, *e.g.*, drawings of sufficient quality for use as a prior art document, text of suitable quality, *etc.* Applicants who decide that an application filed before November 29, 2000, should be published, or decide that some amended form of the application is desired to be published, must timely file an electronic version of the application using the Office's Electronic Filing System (EFS) authoring and submitting software package. Thus, the publication process will not interrupt the availability of the application during examination, and in most instances we will have reduced costs when compared to creating the document in the same manner as a patent is created today.

The Office will provide electronic access to the public to published applications via the Internet, but may not publish paper copies of published applications, nor give notice of the publication in an *Official Gazette*. Anyone may obtain a paper copy of the publication merely by printing the viewed document obtained by use of the Internet, or by making a request (with a fee) to the Office for a copy. Following publication, access to file history information for an application will be available to the public via the Internet. Should a member of the public have an interest in the contents of the proceedings, a copy of the file, including all papers in the file, will be provided for a fee. Unfettered access to the actual file wrapper, as is provided for patented files, will not be provided while the application is pending because of the Office's concerns about not interrupting the examination process. A member of the public will also be able, for a fee, to bring to the Office's attention a limited number of printed publications within a short period after

publication for the examiner's consideration during examination of the (published) application. See 37 CFR 1.99 (a new rule).

The notice of final rules implementing PG-Pub was published on September 20, 2000 (65 Fed. Reg. 57023) and becomes effective on November 29, 2000. In addition to this notice the Office anticipates that an O.G. notice concerning implementation of amended 35 USC 102(e) will be published.

Optional Inter Partes Reexamination Procedures (subtitle F): This provision establishes a reexamination alternative that expands the participation of third-party requesters by permitting those parties to submit a written response each time the patent owner files a response to the PTO. Such third-party requesters, however, will not be able to appeal adverse decisions beyond the Board of Patent Appeals and Interferences, and will not be able to challenge, in any later civil action, any fact determined during the process of the optional reexamination procedure. This provision took effect on November 29, 1999, but applies only to patents issuing from applications filed on or after November 29, 1999. The USPTO published a notice of proposed rulemaking in April of 2000 (Rules to Implement Optional Inter Partes Reexamination Proceedings, 65 Fed. Reg. 18153 (Apr. 6, 2000)) and will publish a final rule to implement this provision.

The Patent and Trademark Office Efficiency Act (subtitle G): This provision establishes the USPTO as an agency within the Department of Commerce, subject to the policy direction of the secretary of commerce. The USPTO retains responsibility for decisions regarding the management and administration of its operations and other administrative and management functions. This provision took effect on March 29, 2000. It also established a Patent Public Advisory Committee and a Trademark Public Advisory Committee, which will review and advise the director on matters involving policies, goals, performance, budget and user fees.

Miscellaneous Patent Provisions (subtitle H): This provision makes a number of technical and clarifying changes to the patent statute. Notably, it makes several changes to provisional application practice, provides authority for the electronic filing, maintenance and publication of documents, and amends 35 U.S.C. 103(c) to also disqualify commonly-owned 35 U.S.C. § 102(e) prior art.

Information concerning the Office's implementation efforts is available over the Internet via : <http://www.uspto.gov/web/offices/dcom/olia/aipa/index.htm>. If information is desired on a particular subject please call Robert Clarke at (703) 305-9177, Karin Tyson at

(703) 306-3159 or Bob Spar at (703) 308-5107.

¹Note the discussion in comment 5, 37 CFR 1.702(a), Changes to Implement Patent Term Adjustment Under Twenty-Year Patent Term; Final Rule, 65 Fed. Reg. 56366, 56375 (Sept. 18, 2000).

To the Editor...

Dear Editor,

Many of the documents that I send to the PTO by fax or mail are lost in the PTO and I never get any response, other than a postcard in the case of mailed submissions. Is there anything I can do to prevent this?

David Pressman, Patent Lawyer, S.F.
Author, Patent It Yourself and Patents for Beginners
World's Best Selling Patent Guides

Dear Mr. Pressman,

In researching your specific case, we found that because the Maintenance Fee Division system is separate from the PALM system, requests for a change of address would need to be filed in both areas for all correspondence to reach the proper destination.

See this month's Helpful Hints column on page 31.

USPTO Customer Outreach

Lecture Series and Workshops

In the interest of providing better service to its customers, the U.S. Patent and Trademark Office operates a secure VideoConference Center. Linked to its three Partnership Patent and Trademark Depository Libraries, it provides board hearings, examiner interviews, and lectures. Contact your closest partnership library for more information and local times:

Sunnyvale Center for Innovation, Invention and Ideas

Sunnyvale, California

Phone: (408) 730-7290

Great Lakes Patent and Trademark Center

Detroit, Michigan

Phone: (313) 833-3379

South Central Intellectual Property Partnership at Rice University

Houston, Texas

Phone: (713) 348-5196

Video Conference Lectures

<u>Schedule Date</u>	<u>Topic</u>	<u>Lecturer</u>	<u>Duration Of Lecture</u>	<u>Time (ET)</u>
11/28/00	Petitions	tbd	2 hours	1pm - 3pm
11/30/00	State Street Case	tbd	2 hours	1pm - 3pm
12/5/00	PCT I	tbd	3 hours	1pm - 4pm
12/7/00	PCT II	tbd	3 hours	1pm - 4pm
12/12/00	E-TEAS	tbd	2 hours	1pm - 3pm
12/14/00	Trademark Tips for Paralegals	tbd	2 hours	1pm - 3pm

The United States Patent and Trademark Office is currently holding free, one-day, educational workshops across the country at Patent and Trademark Depository Libraries detailing implementation of the American Inventors Protection Act of 1999 (AIPA) and introducing the agency's electronic commerce initiatives.

The **Patents 2000 Customer Outreach Program** is designed to help registered patent attorneys/agents, legal staff and independent inventors understand the impact of the AIPA, which became law in late 1999.

The highlights of the electronic commerce segment are Patent Application Information Retrieval (PAIR) - How to access information about your patent application or any issued patents/published application via the Internet; Electronic Filing System (EFS) - How to file a patent application online; Changes to PAIR and EFS to support implementation of the AIPA and whether or not you will need to use PAIR and EFS as a result of AIPA implementation; and Public Key Infrastructure (PKI) - How the USPTO protects your application information on the Internet.

In each city, there will be two workshops, one planned for attorneys and large corporations and one planned for independent inventors. The workshops will be presented as interactive lectures with ample opportunity for questions and answers.

Reservation and contact information for USPTO's Patents 2000 Customer Outreach Program workshops follows:

San Diego Public Library, San Diego, CA
November 29 and 30
Contact: (619) 236-5813 or e-mail: science@library.sannet.gov

Broward County Main Library, Ft. Lauderdale, FL
December 6 and 7
Contact: (954) 357-7439 or (954) 357-7872
University of Utah Marriott Library, Salt Lake City, UT
December 14 and 15
Contact: (801) 581-8558 or e-mail: dmorriso@library.utah.edu

For more information about the Patents 2000 Customer Outreach Program, please go to www.uspto.gov and click on American Inventors Protection Act or the Patent Electronic Business Center.

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